

Legislative Audit Division

State of Montana



Report to the Legislature

June 1998

Performance Audit Follow-up

Foster Care Facility Licensing and Other Related Issues

Department of Public Health and Human Services
(Department of Family Services)

The original report issued in October 1993 contained ten recommendations for improving program operations. The results of the follow-up indicate the majority of recommendations are either implemented or partially implemented.

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June 1998

The Legislative Audit Committee
of the Montana State Legislature:

This is our follow-up report on our performance audit of Foster Care Facility Licensing at the Department of Public Health and Human Services. We found most of the recommendations are either implemented or partially implemented. Specific information on current operations is contained in the report. Summary information from the original report is included as Appendix A.

We wish to express our appreciation to the staff of the department for their cooperation and assistance during our follow-up work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat", with a long horizontal flourish extending to the right.

Scott A. Seacat
Legislative Auditor

Legislative Audit Division

Performance Audit Follow-up

Foster Care Facility Licensing and Other Related Issues

**Department of Public Health and Human Services
(Department of Family Services)**

Members of the audit staff involved in this audit were Jim Nelson and Kent Rice.

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Appointed and Administrative Officials

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Hank Hudson, Administrator, Child and Family Services Division

Shirley K. Brown, Chief, Program Management Bureau

Shirley Tiernan, Chief, Children's Services Bureau

Regional Administrators

Bruce Deitle, Eastern Region, Miles City

Pat Cahill, Northcentral Region, Great Falls

Betty Petek, Southcentral Region, Billings

Kathy Ostrander, Southwestern Region, Helena

Warren Wright, Western Region, Missoula

Chapter I - Introduction

Introduction

We conducted a follow-up review of the performance audit of Foster Care Facility Licensing and Other Related Issues at the Department of Public Health and Human Services. The original report (93SP-03) contained recommendations related to identifying foster care needs in Montana, pay rates and contracting for foster care facilities, communication with foster parents, training, and licensing standards.

Our objective for this follow-up was to determine the implementation status of recommendations made in the October 1993 audit report. To meet our objective we performed the following audit steps:

- Reviewed applicable policies and procedures.
- Examined management controls to identify changes and/or proposed changes.
- Obtained input from program and management personnel.
- Documented legislative changes.
- Reviewed applicable management information.

Our main input from program personnel was obtained through responses to a questionnaire. The questionnaire was designed to obtain input on current operations related to recommendations made in the original audit report. The questionnaire was distributed to all personnel involved with licensing foster care facilities. Questionnaires were returned by 24 of 33 licensing personnel. In addition, two social worker supervisors responded to some parts of the questionnaire.

Program Organization

In 1995, the foster care program was transferred from the now defunct Department of Family Services to the Department of Public Health and Human Services (DPHHS). The program operates under the Child and Family Services Division (CFSD). The department continues to use a regional structure to carry out day-to-day operations. Each region is managed by a regional administrator. Family Resource Specialists (FRS) within each region license foster care facilities under direction of a supervisor. Creation of the DPHHS and subsequent reorganization does not appear to have significantly changed program operations. Most management and field personnel retained their same duties and responsibilities.

Chapter I - Introduction

Follow-up Results

The original audit report included ten recommendations for improving program operations. Six of the ten recommendations contain two or three parts which are interrelated. While each part of a recommendation is reviewed, we report on the implementation status as a whole, not individual parts.

In response to the original report, the Department of Family Services concurred with all ten recommendations. The department changed its position on one part of one recommendation during our follow-up review. The response to our initial follow-up letter provided information on actions taken or planned by the department regarding implementation of recommendations. Our follow-up review verified some of the steps taken by the department. Two of the recommendations in the report have not been implemented by the department. Several recommendations required analysis and the department intended to use the CAPS (Child and Adult Protective Services) system to compile and analyze data. CAPS is now implemented, but the department has not used the system for program analysis. The reason for lack of implementation may be due to the philosophy of the CFSD. The main focus is to protect children, then reunite them with their families or plan for adoption. Program management questions the benefit of compilation of data on program success and effectiveness. Other actions taken by the department appear to be positive steps toward addressing our recommendations.

Table 1 shows the status of recommendations contained in our report, as determined by our follow-up work.

Chapter I - Introduction

Table 1
Recommendation Status

Implemented	5
Partially Implemented	3
Not Implemented	<u>2</u>
Total	<u>10</u>

Source: Compiled by the Legislative Audit Division.

Chapter II discusses the implementation status for each recommendation. The department's response to this follow-up is included after Chapter II. A summary of the original audit report is provided in Appendix A.

Chapter II - Implementation Status

Introduction

The following sections provide information on the implementation status of recommendations made in the original Foster Care Facility Licensing report. The first eight recommendations relate to management of foster care providers, while the final two recommendations involve program administration.

Supply and Demand of Foster Care Providers

At the time of the audit, the department did not identify and monitor foster care needs in Montana, and did not analyze placements and providers to identify demands for services. Also, the department had no recruitment program in place. With placements increasing and children's problems being more difficult, some form of analysis of foster care needs was necessary.

Prior Recommendation #1:

- A. *Develop and implement procedures to identify demands for and supply of foster care providers in Montana.*
- B. *Establish a recruitment program for foster care providers which meets current demands and the needs of children in Montana.*

Implementation Status

This recommendation is partially implemented. In its follow-up response, the department indicated the CAPS system, once operational, would capture information regarding the numbers and types of clients being served and those unable to be served. Statewide implementation of CAPS concluded as of July 1996. According to program management, complete conversion to CAPS did not occur until March 1997. As of May 1998, program management had not conducted an analysis of the supply and demand for foster care.

The Child and Family Services Division is decentralized. It is the responsibility of each region to recruit foster care providers. According to management and field personnel, recruitment in the regions varies. Some field personnel indicated they informally recruit foster parents, while others said they are not involved with a recruitment program. Several personnel said the best recruiters are foster parents, and one individual said their region offers a \$100

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finders fee to foster parents who recruit other people to provide foster care. Each region has an informal recruitment plan according to department management. There is no recruitment program at the state level. The central office in Helena provides general guidance on recruitment in its five-year plan. The department has conducted statewide recruitment efforts including television programs, newsletters, annual foster parent conferences, and public service announcements.

Facility Profiles

Our audit identified a lack of verification of foster care facility profile information. Profile information provided by each facility was assumed to be true and correct. Without verification of profile information, the department may pay for services not provided by facilities, and children may be improperly placed.

Prior Recommendation #2:

Establish procedures for verifying facility profile information.

Implementation Status

This recommendation is implemented. The Program Integrity Unit within CFSD is responsible for contract monitoring. The department hired a contract compliance specialist for the central office in 1994. Currently there are two central office contract monitors. Regional contract monitoring responsibility is shared by six field positions (one FTE total). Contract monitoring staff conduct quality assurance reviews. The contract monitors are focusing efforts on regular youth group home/shelter care compliance with contract and facility profile requirements.

The Facility Profile was revised in May 1995 and profile guidelines were developed as a reference guide. CFSD implemented a written protocol for conducting contract monitoring. In addition, contract monitors have identified licensing issues which led to ARM changes.

The division's five-year plan identifies contract monitoring goals including: 1) consistent statewide monitoring, 2) improvement of contracted services, and 3) identifying contracted services program objectives and standards. An objective within one of these goals is to identify issues, concerns, and questions regarding contract

Chapter II - Implementation Status

language and interpretation. Outstanding issues will be resolved through negotiations with all affected parties.

Foster Care Facility Contracts

Section 11.7.311, ARM, requires facilities to have a current contract with the department to be eligible for payments for foster care services. Our audit identified contracts which were not current, and facilities which did not have contracts. In addition, the department had not defined contract-related issues such as required contents, monitoring procedures, and supervisory reviews.

Prior Recommendation #3:

- A. *Establish policies and procedures regarding contents of foster care facility contracts.*
- B. *Maintain current foster care facility contracts.*

Implementation Status

This recommendation is implemented. According to management, the department developed a department-wide contracting process after reorganization. Contract monitoring reports mentioned in the previous section are provided to the contract program officer. These reports, along with informal communication, are used to determine what modifications should be made during subsequent contracting cycles.

One change which has occurred is the implementation of CAPS. Required file information, which includes a signed contract, must be on file at the department prior to updating CAPS. Foster care payments are computer-generated. Prior to generating a payment, the system checks for the contract update, as well as a valid license. Without the CAPS update, facilities cannot receive payments for services rendered.

Chapter II - Implementation Status

Communication with Foster Parents

During the original audit, we obtained input from foster parents regarding communication with department personnel. Foster parents rely heavily on social workers to provide information about the children placed in their homes. Foster parents we talked with during the original audit believed communication with department personnel could be improved.

Prior Recommendation #4:

- A. Ensure foster parents are informed of their rights and the history of each child placed into their homes.*
- B. Clarify department requirements for social worker contacts with foster parents.*
- C. Emphasize the importance of information sharing with foster parents to department personnel.*

Implementation Status

This recommendation is implemented. We did not talk with foster parents or social workers as part of our follow-up. We did obtain input from family resource specialists via the questionnaire. According to these licensing personnel, foster parents are informed of their rights, usually during initial training and visits to the home. Licensing personnel said it is the social worker's responsibility to inform foster parents of the complete history of each child placed in a home. Over 40 percent (10 of 24) of the respondents to our questionnaire indicated contacts and information sharing with foster families vary. Variance in communication would be expected based on individual styles, specific situations, and a decentralized organization.

Department policy (303-5) requires frequent contact between the social worker and the child and foster family. In addition, policy outlines information foster parents must know and directs social workers to maintain regular visits with foster parents. The department's response to our follow-up request indicated a training segment was developed for new FRS and CPS (child protective

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services) staff which focused on building a partnership between foster parents and social workers.

As part of the relicensing assessment, division policy requires completion of the Placing Worker Evaluation of Foster Home form (DPHHS-LIC-022) or verbal input from the placing worker(s) and/or supervisor. While most FRS indicated this form is used, several (5 of 24) said the forms are not always returned or filled out completely. In addition, one social worker supervisor was not aware of this form being used.

The department, in cooperation with the private sector and private individuals, developed the Montana Child Care Partnership Handbook which contains information on foster care and foster parenting. The handbook promotes foster care as a "partnership" between the department, the birth family, and the foster parents. Information on rights, responsibilities, the licensing process, placements, parenting, etc. are contained in the handbook.

Foster Parent Training

The audit identified inconsistencies in requirements for the amount of training foster parents needed prior to being licensed. At the time of our audit, MAPP (Model Approach to Partnerships in Parenting) was the training curriculum used by the department. MAPP training was developed and supported by the Child Welfare Institute. During our initial review, foster parents expressed concern with the amount of training available to providers once they were licensed. We noted a reluctance among FRS personnel to deny a license because foster parents had not received the required 15 hours of training during a year. Thus, foster parents were given leeway regarding training requirements. In most cases, any type of material, including television programming, was approved as acceptable training. Thus, we recommended improvements in these areas.

Prior Recommendation #5:

- A. *Require MAPP training, or an alternative form of initial training, prior to issuing a license to foster care providers.*
- B. *Obtain and distribute training materials to family resource specialists for use by foster parents.*

Chapter II - Implementation Status

- C. *Enforce the annual 15-hour ongoing training requirement for foster parents.*

Implementation Status

This recommendation is partially implemented. We questioned FRS about current requirements for pre-service training and all 24 staff who responded indicated a requirement for PRIDE (Parent Resources for Information, Development, and Education) training prior to licensing. The department recently switched to PRIDE training due to lack of control concerns with the MAPP curriculum. As of February 1998, licensing personnel had not conducted PRIDE training, so its effectiveness as compared to MAPP training is not known. PRIDE training does not contain a component for rural areas where there may only be one or two providers.

According to responses from FRS personnel, there is still a lack of resources available to foster care providers. Videos, books, and other training materials provided by the department are kept in the central office. According to management, training materials have not been purchased for regional lending libraries. The main reason given for limited resources was lack of funding. However, the department has not requested funding specifically to obtain these types of resources.

According to division management, a request has been made in the Executive Planning Process to contract with someone to be a liaison with foster parents to identify and make training available. In addition, PRIDE has a multi-disciplinary training component which the department plans to implement. The department is committed to look at ways to improve support of foster parents.

At least 15 hours of training is required annually for re-licensure of foster care providers. This requirement has not changed since October 1993. Annual training is usually reported by foster care providers on a department form (DPHHS-LIC-023). This "self-reporting" is not usually verified by licensing personnel. Thus it appears the 15-hour requirement is not always enforced.

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Family Resource Specialist Training

We found training received by FRS personnel was minimal and not specific to licensing foster care facilities. This lack of training was a contributing factor for causing differences in licensing procedures used throughout the state. We recommended formal training.

Prior Recommendation #6:

Develop a formal training program for family resource specialists.

Implementation Status

This recommendation is implemented. According to division management, training is offered on an ongoing basis, including on-the-job training. FRS personnel verified they receive training. Opinions were mixed on the amount and appropriateness of training received. Several individuals said they could use more training specific to licensing, adoption, and CAPS. Management indicated that requests for specific training are approved at the regional level. The division's five-year plan has training program goals, although there are no objectives for developing an FRS training curriculum specific to licensing. While there is no formal training program, licensing training opportunities are provided to FRS personnel.

Licensing Standards, Policies, and Procedures

At the time of our audit, the department had not updated licensing policies and procedures nor developed specific policies and procedures for several types of facilities. We noted inconsistencies in licensing procedures, and observed safety issues in some foster homes. Management needed to provide more emphasis on updating standards, policies, and procedures.

Prior Recommendation #7:

- A. *Clarify and restructure foster care licensing standards to ensure consistent application.*
- B. *Update policies and procedures regarding licensing.*
- C. *Communicate the purpose and intent of licensing standards and policies and procedures to department personnel.*

Implementation Status

This recommendation is implemented. The department established a Licensing Standing Committee chaired by a Children's Services program officer. This committee, which meets about every two

Chapter II - Implementation Status

months, reviews standards and policies and procedures on an ongoing basis. Committee members reach consensus on changes, then submit proposals to the management group for final approval.

All licensing personnel said they have an up-to-date licensing manual. Most said policies and procedures, as well as licensing standards, are clear and understandable. A few had some concern with legal/technical wording. Some of the new programs, such as Shelter Care, lack policy, but the Licensing Standing Committee is developing policy and will provide training as policies are approved. Most of the training sessions offered by the division relate to policy. Training is usually provided to personnel when new policy is approved, or significant changes in policy occur. If this process continues, the department will maintain a method for communicating the purpose and intent of licensing standards and policies and procedures.

File Documentation

The audit identified differences in the types of documentation maintained in licensing files, including variations in the forms used to document the process. We could not determine whether foster care applicants and providers were given equal and objective consideration during licensing. Lack of documentation to support decisions limits assurance that the level of service provided by facilities meets the needs of children placed in foster care. We recommended management ensure file documentation meets department standards and supports department decisions.

Prior Recommendation #8:

Implement a review process to ensure complete documentation exists for foster care licensing files.

Implementation Status

This recommendation is not implemented. Currently, there is no policy on licensing file reviews. About half of the licensing personnel responding to our questionnaire said there is some form of review process of their files. This review is usually completed by the supervisor. For the staff who said there is no review, a checklist is used by some to ensure file documentation is consistent and

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complete. These file reviews and checklists appear to be unique to each office/area.

The Program Integrity Unit recently started planning a CPS/Foster Care Quality Assurance Review Project. The goal of this project is to improve the performance of CPS/Foster Care staff by measuring service outcomes and service delivery through performance standards and requirements relevant to foster care. While this project is intended to be an in-depth quality assurance review, the division's five-year plan does not include objectives or steps for determining the completeness of licensing file documentation.

Staffing Patterns and Workload/Caseload Analysis

We attempted to obtain FRS workload/caseload information during the audit, but were unable to gather complete information. At the time, management did not analyze staffing patterns to determine if staff levels and distribution were adequate to perform necessary duties. Management needs to analyze workloads to determine whether FRS have enough time to properly license and relicense foster care facilities.

Prior Recommendation #9:

- A. *Establish procedures for obtaining FRS workload/caseload data.*
- B. *Develop and implement procedures for analyzing FRS staffing patterns, including analysis of workload/caseload information.*
- C. *Analyze current FRS staff levels and distribution and, if necessary, adjust accordingly.*

Implementation Status

This recommendation is partially implemented. A checklist was developed for completing a "snapshot" of a randomly selected day. However, the checklist received only limited use. The department has now developed a caseload/workload survey which will be used as a snapshot of a specific week or two week period. Department management distributed the survey to all FRS and supervisors April 8, 1998, and requested a return date of April 29, 1998.

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Approximately two-thirds of the licensing personnel responding to our questionnaire indicated some workload and/or caseload information is collected. Most said information is collected by a supervisor and/or CAPS. Judging from the FRS responses, it appears the information is related mostly to caseloads. Caseload lists are generated from CAPS and usually discussed with the FRS supervisor. About the same number of respondents said there are workload/caseload concerns. Several staff said the information generated does not consider the time involved in completing the required duties of the FRS position. The department's draft survey, mentioned above, requests input on hours spent on some activities but not all activities. While CAPS is supposed to collect information relating to workload/caseload, division management has not established procedures for analyzing this information. In addition, there are no procedures in place to ensure all staff with responsibilities related to foster care input all necessary information into CAPS.

According to management, the legislature has been unwilling to approve requests for additional FTE. Management believes the time and effort involved with analyzing workload will be counterproductive. Thus, the department reversed its concurrence with part B of this recommendation.

Management within each region is responsible for determining how many licensing personnel are needed and where they should be located. According to licensing personnel, staffing levels have changed in the past year. Some indicated an increase while others said levels have decreased. The biggest change in staff distribution occurred with the department's decision to move child care to another division. FRS personnel are no longer responsible for licensing child care facilities. This should allow staff to focus more attention on foster care.

Evaluating Effectiveness

There was no system in place for evaluating the success of new or established foster care programs. The department was working on development of CAPS at the time of our audit. If management does not evaluate success, there is no assurance the department's programs serve their purpose. In addition, the department's ability to identify and correct deficiencies is limited.

Prior Recommendation #10:

Periodically evaluate the effectiveness of foster care programs.

Implementation Status

This recommendation is not implemented. According to division management, the use of CAPS for analyzing program effectiveness was not the purpose behind development of the system. Evaluating program effectiveness has been a low priority. The first step in completing an evaluation would be defining effectiveness of foster care, as related to licensing. As mentioned previously under Recommendation #8, the department recently started planning a CPS/Foster Care Quality Assurance Review Project. At this point, it is unclear whether the results of this project will provide information which could be used to evaluate the effectiveness of foster care programs.

A basic control process includes three stages: 1) implementing standards or criteria for performance, 2) measuring performance against established standards, and 3) correcting deviations from desired outcomes. Without this basic control process, ineffective procedures and needed improvements may not be detected.

Management believes the licensing program follows this process.

We agree foster care providers are measured against established standards and corrective action is taken when necessary. However, the control process we are referring to relates to the effectiveness of how FRS personnel conduct licensing activities.

Opinions of licensing personnel are mixed on whether or not the department's foster care programs are successful. While some believe programs are successful, several said there is room for improvement. Areas mentioned include recruitment, training, and

Chapter II - Implementation Status

support of foster parents, and better teamwork among department personnel.

Department management indicated compliance with our recommendations may not assure children would be safer in foster care. We agree our recommendations are administrative in nature. However, we also believe implementation of these recommendations will help increase program effectiveness. Increasing program effectiveness will allow the department to focus on top priorities, such as support of foster parents.

Related Requests

Chapter 551, Laws of 1997, requires the Legislative Audit Division to review and report on the success and recidivism of foster care. This bill also requires the department to provide information on the number of children and families served by the foster care system in fiscal year 1998. These requests indicate, at a minimum, the 1997 Legislature needed more information regarding caseloads and the effectiveness of the department's foster care programs.

Agency Response

DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES



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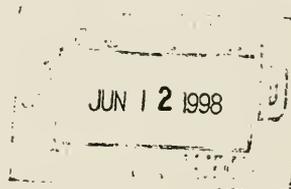
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June 11, 1998



Mr. Jim Pellegrini
Deputy Legislative Auditor
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Office of the Legislative Auditor
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Helena, Montana 59620-1705

Re: Performance Audit Follow-up
Foster Care Facility Licensing and Other Related Issues

Dear Mr. Pellegrini:

In October, 1993, your office issued the original report of the performance audit of the foster care facility licensing audit. That report contained ten recommendations for improving program operations. The department worked diligently to institute procedures and adopt policies to implement the recommendations contained in the original report. The department appreciates the recognition of those efforts by the Legislative Audit Division as evidenced by the findings of the follow-up audit.

The findings of the follow-up audit indicate that the department fully implemented five of the original recommendations, partially implemented three of the original recommendations and did not implement two of the original recommendations. This letter contains the department's response to the follow-up audit report.

Prior Recommendation 1

- A. **Develop and implement procedures to identify demand for and supply of foster care providers in MT**

B. Establish a recruitment program for foster care providers which meets current demands and the needs of children in MT.

LAD: Partially implemented; Department Response: Concur

A. Not implemented: The department's response to the initial audit stated that implementation of this recommendation was contingent upon the full implementation of the Child and Adult Protective Services (CAPS) automated system. Complete conversion to the CAPS system did not occur until March, 1997. Therefore, the data necessary to complete an analysis of "supply and demand" has not been available. In addition, system resources were committed to issues with a very high priority such as paying providers in a timely manner.

With the implementation of the Child and Adult Protective Services system (CAPS), the department now has access to data which was previously unavailable. The department must prepare a report for the 1999 Legislature which will include the unduplicated total number of children in foster care during this fiscal year and the average number of placements per child in the foster care system for the same time period. For the first time, the department has the ability to analyze the demand for foster homes based on empirical data. This analysis will be conducted regionally because of the department's policy and the federal requirement to place children as close to their birth homes as possible. Recruitment efforts must be directed toward those local areas with a paucity of available foster homes relative to the numbers of children placed in foster care in each individual local area.

B. Implemented

Prior Recommendation 2

Establish procedures for verifying facility profile information

LAD: Fully Implemented; Department Response: Concur

Prior Recommendation 3

A. Establish policies and procedures regarding contents of foster care facility contracts

B. Maintain current foster care facility contracts

LAD: Fully Implemented; Department Response: Concur

Prior Recommendation 4

- A. **Ensure foster parents' are informed of their rights and the history of each child placed in their homes**
- B. **Clarify department requirements for social worker contact with foster parents**
- C. **Emphasize the importance of information sharing with foster parents to department personnel**

LAD: Fully Implemented; Department Response: Concur

Prior Recommendation 5

- A. **Require MAPP training or an alternative form of initial training, prior to issuing a license to foster care providers**
- B. **Obtain and distribute training materials to FRS's for use by foster parents**
- C. **Enforce the annual 15-hour ongoing training requirements for foster parents**

LAD: Partially implemented; Department Response: Implemented:

A. Implemented

B. The department has implemented this recommendation. The LAD report states there is a lack of training resources for foster parents. While no resources such as videos, books etc have been purchased for regional or county 'lending libraries', Child and Family Services Division has purchased PRIDE which does have an 85 hour multi-disciplinary training component. While this training component has not been fully implemented, staff have been trained statewide on the curriculum and the training team is in active pursuit of this goal. In addition, a lending library continues to be maintained in the central office which can be accessed by either licensing workers or foster parents.

C. The LAD states the department does not enforce the annual 15 hour ongoing training requirement for foster parents. Foster parents report their annual training by submitting a department form (DPHHS-LIC-023). The "Training" section of the survey to which licensing personnel responded for the follow-up audit contained, in part, the following questions:

- 7. What training is required for re-licensure?
 - a. Is the DPHHS-LIC-023 form used?

- b. Is annual foster parent training verified?

The LAD states that licensing personnel do not verify the "self-reporting" of foster parents regarding the training they receive. Therefore, because licensing personnel do not verify the training, the LAD concludes that the 15-hour requirement is not always enforced.

The department submits that the LAD may have "gone beyond the data" in concluding that the 15-hour ongoing training requirement is not enforced. The department received no information regarding the actual number of responses to these questions. The responses to the first two inquiries could provide important information regarding whether or not the department has implemented this recommendation. If all licensing personnel who responded knew the ongoing training requirement, if all personnel indicated that the appropriate form is used, and if all personnel reported that each submitted form lists, with specificity, the activities which constitute the 15 hours of ongoing training, one could conclude that the department implemented procedures to enforce the ongoing training requirement. The department contends that the survey did not provide sufficient information to determine either enforcement or non-enforcement of the ongoing training requirement.

Prior Recommendation 6

Develop a formal training program for family resource specialists

LAD: Fully Implemented; Department Response: Concur

Prior Recommendation 7

- A. **Clarify and restructure foster care licensing standards to ensure consistent application**
- B. **Update policies and procedures regarding licensing**
- C. **Communicate the purpose and intent of licensing standards and policies and procedures to department personnel**

LAD: Fully Implemented; Department Response: Concur

Prior Recommendation 8

Implement a review process to ensure complete documentation exists for foster care licensing files

LAD: Not Implemented; Department Response: Concur

After reorganization, the Child and Family Services Division established the Program Integrity Unit within the Program Management Bureau. The purpose of this unit is to provide oversight and monitoring of both internal programs and those programs external to the division with which the division contracts. The contract monitors earlier referred to work in this unit. In addition, staff from this unit provide oversight of provision of services by field staff. This unit has worked in conjunction with Quality Assurance Division staff to develop a review instrument and conduct statewide reviews of Title IV-E foster care files to assure compliance with federal regulations. Program Integrity staff are currently working with field representatives to develop standards upon which to review case files. Licensing files will be included in this review.

Prior Recommendation 9

- A. Establish procedures for obtaining FRS workload/caseload data**
- B. Develop and implement procedures for analyzing FRS staffing patterns, including analysis of workload caseload information**
- C. Analyze current FRS staff levels and distribution and if necessary adjust accordingly**

LAD: Partially implemented; Department Response: Implemented

A. Implemented

B. The department concurred with this recommendation in 1993. The concurrence was dependent on the full implementation of the CAPS system and the availability of the data from the system. CAPS has been fully implemented since March, 1997. While caseload data can be obtained from the system, obtaining workload data is more complicated, involves the need for extensive programmer resources, and will be very time intensive. As a result, the department reverses its concurrence with this recommendation and questions the benefit of developing this capability.

The department recognizes that the development of an analysis of workload/caseload information will identify the need for additional licensing resources. The department has identified the need for additional staff for child welfare, including the need for additional licensing workers. In the past, the department has requested additional staff from the Legislature and has been denied those FTE's. During the past session, for example, the department requested eight additional licensing staff for child care. The Legislature approved only five. Given the reluctance on the part of the Legislature to approve additional FTE's, the department submits that committing staff time and resources to conduct this analysis will be counterproductive.

C. Implemented

Prior Recommendation 10

Periodically evaluate the effectiveness of foster care programs

LAD: Not implemented; Department Response: Implemented

The LAD states that a three stage process of the effectiveness of the foster care program should be developed. That process should include:

1. Implement standards or criteria for performance;
2. Measure performance against established standards; and
3. Correct deviations from desired outcomes.

The audit conducted by the LAD is a licensing audit. The purpose of the audit was to examine the "state of the licensing program" in Montana. The licensing program primarily consists of developing licensing standards for various types of out-of-home care; conducting licensing studies to determine whether or not a) the potential providers meet those standards and b) whether the currently licensed providers continue to meet the standards; and taking action if the providers don't meet the standards. By the LAD's definition, this process is currently in place and the LAD has identified no problems with the process. Therefore, the department has implemented this recommendation.

The department contends that while implementation of all the recommendations contained in the initial audit report may assure the foster care program is administratively stronger, compliance may not assure that children would be more safe in substitute care after implementation of the recommendations than they were prior to implementation. The department defines effectiveness of the foster care program in terms of the child. The department asks the question: Are children safe in foster care and are they receiving those foster care services necessary to continue to assure their safety. Nothing in either the initial audit nor the follow-up report indicates that children are not safe in substitute care in Montana. Therefore, the department submits to the Legislature that the program is effective and, for the most part, has attained the goal of keeping children safe while in substitute care.

Thank you for the opportunity to respond to the follow-up audit report. My staff and I will be happy to discuss our response with you and your staff. Please contact my office if you would like to meet with us.

Sincerely,



Laurie Ekanger

Director

cc: Hank Hudson, Administrator, Child and Family Services Division
Shirley K. Brown, Program Management Bureau Chief
Shirley Tieman, Children's Services Bureau Chief

Appendix A

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Introduction

The National State Auditor's Association is conducting a multi-state project addressing foster care. As part of the multi-state project, we conducted a performance audit of the Department of Family Services' (DFS) system for licensing, classifying, contracting, and monitoring foster care facilities. Objectives of the audit included gathering appropriate information on the department's foster care program and determining whether the department's quality assurance system assures the overall welfare of children in foster care. We also determined if DFS evaluates and assesses the level of success of its foster care programs.

Foster Care

The Montana Code Annotated (MCA) defines foster care as full-time care of youth in a residential setting for the purpose of providing food, shelter, security and safety, guidance, direction, and, if necessary, treatment of youth who are removed from, or are without care and supervision of their parents or guardian. The MCA establishes a system of foster care for youths. DFS is responsible for administering funds, licensing facilities, developing and implementing standards, and maintaining management information relating to foster care.

The total number of children in foster care increased 47 percent from fiscal year 1984-85 to fiscal year 1991-92. Expenditures for family foster care increased 78 percent and residential treatment costs increased 264 percent during this same time period. These increases appear to be due to increases in cost of services. In fiscal year 1991-92, there were 2,851 children in foster care placed through the department's Child Protective Services program.

Facilities Licensed

There are ten types of foster care facilities licensed by DFS. Three of these are youth care facilities including family foster homes, youth group homes, and child care agencies. Family foster homes care for one to six youths in a private home setting. Youth group homes care for 7 to 12 children, while child care agencies care for 13 or more youths.

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Licensing Process

Approximately 320 full-time equivalent (FTE) positions work in some capacity with foster care. FTE positions include social workers, family resource specialists, supervisors, secretaries, regional administrators, and various program officers. Currently, there are 20.05 family resource specialists within the five DFS regions in Montana.

Family resource specialists are responsible for licensing and relicensing foster care facilities. Family resource specialists interview foster care applicants, check the safety of the home, look for health related concerns, and determine if the home will provide for the overall welfare of foster care children. Family resource specialists are also responsible for recruiting foster care providers.

After interviews and inspections are complete, family resource specialists make recommendations to supervisors whether or not to license applicants for foster care. The final approval/denial of a foster care license is the responsibility of family resource specialist supervisors. Once a license is approved, applicants attend an orientation session and a foster care license is issued. As of June 1993, there were more than 3,800 licensed foster care providers in Montana. Applicants may request a fair hearing if an application is not approved.

Relicensing and Ongoing Monitoring

Foster care facilities must be relicensed every year. The extent of the study is usually less than the initial licensing study. Once a facility has received its license, ongoing monitoring becomes the responsibility of DFS social workers. In practice, social workers are typically the only department personnel to physically visit foster care facilities during the year. For the most part, facilities operate with little to no ongoing license monitoring from DFS staff. Investigations of complaints about foster care facilities may be handled by family resource specialists, supervisors, social workers, or a combination of the three.

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Foster Care Issues

During our audit, we noted areas where improvements are needed in the foster care program. The following sections summarize our findings.

Addressing Foster Care Needs in Montana

DFS does not identify and monitor foster care needs existing in Montana. In addition, the department does not analyze foster care placements or providers to identify demands for foster care services.

Department personnel state there are too few foster homes to meet current demands and needs. However, we found no documentation to support these claims. Recruitment of foster care providers is an informal and sporadic process. According to department policy, each local DFS office shall establish a continuous recruitment program sufficient to meet the needs of children and families in foster care. Family resource specialists we interviewed said they did not have the time or resources to recruit foster parents.

Some form of analysis of foster care needs is necessary. The department should develop and implement procedures to identify demands for and supply of foster care providers. In addition, the department should establish a recruitment program for foster care providers which meets current demands and the needs of children in Montana.

Rate Setting

Facilities are classified by the department according to the levels of supervision and treatment provided to children. Each foster care facility, other than family foster homes, completes a profile describing its programs. Facility profiles are used to classify facilities. Once classified, a matrix is used to determine pay rates.

Facility profiles are only examined by one department staff member. In addition, profile information is not verified, it is assumed to be true and correct. We believe the department should establish procedures to verify facility profile information to help ensure accurate classification and proper payment.

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Contracting

According to department personnel and the Administrative Rules of Montana, foster care facilities must be licensed and must have a current contract with the department to be eligible for payments for foster care services. We found eight of nine contracts reviewed were signed more than 30 days past the effective starting date of the contract. A review completed by financial-compliance auditors noted eight facilities which did not have current contracts. Payments were made to these facilities even though contracts were not current.

The department needs to establish policies and procedures regarding contents of foster care facility contracts. DFS management must ensure contracts are current and information is valid. This will help protect the interests of the department and foster care facilities.

Communication with Foster Parents

Foster parents rely heavily on social workers to provide information about the foster children placed in their homes. Foster parents we talked with believe communication with department personnel could be improved. We found differences in methods and amounts of communication with foster parents. Social workers do not consistently provide all known information to foster parents, help obtain services, or use similar placement procedures. In addition, department personnel do not consistently inform foster parents of their rights as foster care providers.

According to department policy, social workers must maintain frequent contact with foster families as agreed on by the social worker and supervisor. However, frequency is not defined. In addition, social workers indicate large caseloads create an atmosphere where they "put out one fire," then "move on to the next one." This makes communication a low priority.

Communication between foster parents and DFS needs improvement. We recommend the department ensure foster parents are informed of their rights and the history of each child placed into their homes. DFS management should clarify department requirements for social worker contacts with foster parents. Finally, the department should emphasize the importance of information sharing with foster parents. Improvements in communication will better prepare foster parents for placements. This should help diminish situations of foster

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parents becoming overwhelmed. Also, initial licensing caseloads and recruitment efforts may decrease.

Foster Parent Training

According to the Administrative Rules of Montana, foster parents must attend an orientation session prior to licensure. In addition, rules require at least 15 hours of training annually for re-licensure. We found inconsistencies in requirements for the amount of training foster parents must receive.

All offices we visited require orientation training prior to licensure. However, four of six DFS offices either withhold a license or provisionally license foster parents until completion of Model Approach to Partnerships in Parenting (MAPP) training. Two offices either do not believe they have authority to require MAPP training or are in a rural area and it is difficult to conduct a MAPP training session. In addition, foster parents do not consistently receive an additional 15 hours of training each subsequent year.

We believe the department should enhance its current policy regarding foster parent training. First, the department should require MAPP training prior to issuing a license. Next, the department should obtain training materials and provide these to family resource specialists for distribution to foster parents. Finally, DFS should enforce its current 15-hour training policy. This will better prepare foster parents which should increase their ability to provide proper care.

Family Resource Specialist Training

Family resource specialists are responsible for licensing foster care facilities. Although these personnel are required to make determinations of the ability of applicants to provide foster care and the ability of facilities to ensure a child's safety, they are not trained on proper techniques to accomplish this.

Lack of training contributes to family resource specialists following different licensing procedures. Family resource specialists need training on proper licensing procedures to ensure the safety of children in foster care. We recommend the department develop a formal training program for family resource specialists. Training

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will help clarify department policy and ensure consistency in licensing.

Licensing Standards

Family resource specialists are governed by statutes, administrative rules, and department policies when licensing foster care facilities. During our review, we noted differences in licensing standards which address similar situations. We identified a concern with the ability of family resource specialists to make decisions based on general standards. In addition, we found department policy is not kept up-to-date, and there are no DFS standards for some types of foster care facilities.

DFS management needs to provide more emphasis on updating standards, policies, and procedures. Without up-to-date licensing standards, inconsistency in operations and lack of assurance for children's safety may continue. Many of the inconsistencies noted during our review could be addressed by clarifying and updating licensing standards, policies, and procedures. In addition, DFS management should communicate the purpose and intent of licensing standards, policies, and procedures to department personnel.

File Documentation

We noted differences in the type of documentation maintained in family resource specialist files. We found variations in forms used to document the licensing process, and differences in what documents are maintained in files. We believe file information should provide an accurate history of licensing activity conducted by family resource specialists. Management should implement a file review process to ensure documentation meets department standards and supports department decisions.

Staffing Patterns

DFS management does not analyze staffing patterns to determine if current family resource specialist staff levels and distribution are adequate to perform necessary duties. During our review, we obtained family resource specialist workload/caseload information. It appears family resource specialists have heavy workloads which limit the amount of time they can spend on each specific duty.

Management has not given staffing analysis a high priority. Current staff levels and distribution are the same as they were when DFS was

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established in 1987. Our preliminary analysis of workload information indicates a correlation between staffing levels and caseload responsibilities. We recommend DFS establish procedures for obtaining family resource specialist workload/caseload data, and develop and implement procedures for analyzing staffing patterns. Management should analyze current family resource specialist staff levels and distribution and adjust accordingly.

Management Information

The department is currently working on development of a new management information system called CAPS (Child & Adult Protective Services). The department intends to contract with the private sector for system development and maintenance. In a prior audit, we recommended the department develop and implement a management information system. We still believe it is important for DFS to maintain adequate program and management information. We agree with the steps taken by the department to date, and believe DFS should continue with its plans to develop and implement CAPS.

Evaluation of Foster Care Programs

DFS lacks a system for evaluating the success of new or established foster care programs. If management does not evaluate success, there is no assurance the department's programs serve their purpose. We believe DFS needs to evaluate the effectiveness of foster care programs. This will enable management, when necessary, to modify procedures in order to accomplish program intent in an effective manner.

